

# **Simplifying Financial Aid for Students Act of 2015**

## *Simplifying the Student Aid Process Will Help More Students Go to College*

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The College Board estimates that 2.3 million prospective students do not file a Free Application for Student Aid (FAFSA), but would qualify for federal student aid if they did apply. Some of these individuals, many from low-income backgrounds, end up never enrolling in postsecondary education institutions. For those who do manage to enroll, many need to work long hours in low-paying jobs on top of doing their school work in order to pay their education and living expenses.

Currently, data exchanges between the IRS and the Department of Education can automatically populate a student's application with tax information with a click of a button—but this helpful tool is hindered by the fact that the Department requires the previous year's tax data to complete the application. So to meet most school and state aid deadlines, students must send in the FAFSA form before they (or their parents) have received their W2s or filed their taxes for the prior year.

The current system causes delays that create an “unfavorable chain reaction.” First, a delay in completing the income tax return may result in a delay in submitting the FAFSA, resulting in a delay in financial aid award or notification. Even worse, these delays can make college less affordable for some students. Because some financial aid awards are limited and distributed on a first-come, first-served basis, students receiving their award later in the year may get less grant funding from their college.

Today, families earning \$24,000 or less automatically qualify for the maximum Pell Grant. Nearly 75 percent of Pell Grant recipients had a family income of \$30,000 or less in 2011-12. Among the recipients who received the maximum amount, 92 percent had a family income of \$30,000 or less in 2011-12. Returning the expected family contribution (EFC) income threshold to \$30,000 would ensure families with incomes of \$30,000 or less will receive the maximum Pell grant and do more to provide students the financial means to go to college.

The **Simplifying Financial Aid for Students Act of 2015**, would base eligibility for federal student loans and grants on “prior prior” year tax data which will help simplify the FAFSA process, allow students to apply earlier for aid, facilitate a better alignment of the aid application process, and provide more time for student to evaluate awards and make informed decisions about net costs of college. In addition, the legislation would return the auto-zero EFC income threshold from \$23,000 to \$30,000 (the previous level set in College Cost Reduction Act of 2007) for both dependent and independent students. This means a simpler application process with more of the information you need to complete the application available earlier, and more families automatically qualifying for a stronger Pell Grant award.

This bill will make the aid application process easier and more efficient—increasing the number of students who will complete the application process and be able to go to college.

Senator Booker introduced very similar legislation last Congress and the original cosponsors were: Hirono, Kaine, Landrieu, Merkley, Rockefeller, Schumer, Stabenow, and Wyden.

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